

MENKEN SIMPSON & ROZGER LLP

80 PINE STREET, 33RD FLOOR
NEW YORK, NEW YORK 10005

TELEPHONE: (212) 509-1616

FACSIMILE: (212) 509-8088

WWW.NYEMPLOYEEELAW.COM

BRUCE E. MENKEN
SCOTT SIMPSON
JASON J. ROZGER ^Δ
BRENNAN RABINOWITZ
RAYA F. SAKSOUK

^Δ ALSO ADMITTED NJ

ALAN SERRINS
OF COUNSEL

December 1, 2022

Via ECF

Hon. Lee G. Dunst, U.S.M.J.
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Re: *Agudelo v. Recovco Mortgage Management LLC et al.*, No. 22 Civ. 4004
Update to the Court

Dear Judge Dunst:

The parties write jointly pursuant to the Court's November 1, 2022, direction to provide the Court with an update on the status of the above-captioned matter.

Since we last wrote the Court on October 31, 2022, the parties have continued to engage in settlement discussions. To that end, after Plaintiffs' shared their damages calculation along with an explanatory memo, Defendants produced, and continue to produce, corporate financial documents. Additionally, Plaintiffs have come to an agreement with counsel for matters pending in state court in California (*Boyer v. Sprout, Recovco, & Strauss*, Case No. 37-2022-00029036-CU-OE-CTL pending in California Superior Court, San Diego County; and *Sawyer and Harvey v. Sprout, Recovco, Strauss & Pallante*, Case No. 30-2022-01271017-CU-OE-CXC, pending in California Superior Court, Orange County) to work together towards a global settlement of claims.

However, the parties determined that a mediation is premature as the primary barrier to settlement centers around the amount of assets available to Defendants to pay any settlement. Plaintiffs have requested additional information concerning the assets of Defendant Michael Strauss in order to properly consider any settlement offer. Plaintiffs have retained a forensic accountant, Richard Barber of LH Frishkoff & Company, to analyze Defendants' financial disclosures. With Mr. Barber's assistance, Plaintiffs sent supplemental voluntary discovery requests on November 18, 2022.

The parties agreed to hold off on mediation pending Defendants' disclosure and Plaintiffs' evaluation of Defendants' ability to pay any settlement. On November 28, 2022, Defendants made an initial offer. Plaintiffs' counsel awaits the production of documentation concerning Strauss's assets, and Mr. Barber's further analysis, before we can consider whether the offer is in the best interests of the class members.

Respectfully submitted,

/s/

Scott Simpson
Menken Simpson & Rozger LLP
80 Pine Street, 33rd Floor
New York, NY 10005
(212) 509-1616
ssimpson@nyemployeeelaw.com

cc: All counsel (by ECF)